

PUBLIC DISCLOSURE

JULY 21, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

JEANNE D'ARC CREDIT UNION

67352

**658 MERRIMACK STREET
LOWELL, MA 01854**

**DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **JEANNE D'ARC CREDIT UNION** prepared by the Massachusetts Division of Banks, the institution's supervisory agency, as of **JULY 21, 2003**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: Jeanne D'Arc Credit Union is rated "Outstanding".

Jeanne D'Arc Credit Union was evaluated for its performance under the Community Reinvestment Act according to the CRA Large Institution Examination Procedures including an evaluation of the credit union's Lending and Service performance. In addition, the credit union's investments were considered at the request of the institution and based upon its rating under the Lending and Service Tests.

The rating of outstanding is based upon the credit union's superior performance as demonstrated in the Lending Activity, Geographic Distribution, Lending to Borrowers, and Community Development Lending sections of the Lending test. Additionally the institution's performance under the Service Test. was considered to be superior.

Lastly, the credit union's qualified investments were reviewed however; no rating for the Investment Test was ascribed.

LENDING AND SERVICE TEST TABLE

The following table indicates the performance level of **JEANNE D'ARC CREDIT UNION, LOWELL, MASSACHUSETTS**, with respect to the lending, investment, and service tests.

PERFORMANCE TESTS Jeanne D'Arc Credit Union		
Performance Levels	Lending Test*	Service Test
Outstanding	X	X
High Satisfactory		
Satisfactory		
Needs to Improve		
Substantial Non-Compliance		

*Note: The Lending Test is weighed more heavily than the Service Test when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

Jeanne D'Arc Credit Union is a community-based financial institution incorporated in 1912. Membership in Jeanne D'Arc Credit Union is limited to individuals living and/or working in the Greater Lowell area.

The credit union's main office is located at 658 Merrimack Street in Lowell. Jeanne D'Arc Credit Union operates two other full-service branch offices. These offices are located in the towns of Dracut and Tyngsboro. All offices offer drive-up facilities with extended hours and 24-hour ATM service with network access. Jeanne D'Arc Credit Union also operates two school branches located at the Dracut High School and Nashoba Valley Technical High School. In addition, the credit union operates a Mortgage and Administrative Center at 630 Merrimack Street (contiguous to its main office) and maintains a deposit taking ATM at Saints Memorial Medical Center in Lowell.

As of June 30, 2003, Jeanne D'Arc Credit Union had total assets of \$591.7 million with total loans representing \$244 million or 41.2 percent of total assets. The following table depicts Jeanne D'Arc Credit Union's loan portfolio composition based on its June 2003 NCUA 5300 Report.

Jeanne D'Arc Credit Union's Loan Portfolio as of March 31, 2003	
Type of Loans	% of Total Loans
Residential Real Estate	
a. 1-4 Family Mortgages	73.8
b. Home Equity Lines (includes second mortgages)	9.6
Automobile Loans	
a. New Autos	1.4
b. Used Autos	9.5
Consumer Loans	
a. Credit Cards & Related Plans	3.0
b. Loans to Individuals/Other Loans	2.7
Total Loans	100.0

Source: NCUA 5300 Quarterly Reports.

First mortgage loans and Home Equity Lines of Credit represent the majority (83.4 percent) of the credit union's loan portfolio. The second largest segment of the loan portfolio is the credit union's consumer loan products, which represent 16.6 percent of the portfolio.

There appears to be no legal or regulatory impediment that would effect the credit union in meeting the needs of its community. The Division of Banks conducted the previous Community Reinvestment Act (CRA) evaluation as of February 22, 2000. That examination resulted in an "Outstanding" rating.

Parity Powers

In March 2000, Jeanne D'Arc Credit Union applied for and received approval from the Division of Banks to engage in certain activities authorized under the "Parity with Federal Credit Union Regulations", 209 CMR 50.00. Those parity powers that may impact the credit union's CRA performance are as follows:

- Allow the credit union to participate in Community Development Loan Pools up to 5 percent of total paid in and unimpaired capital and surplus;
- Increase Lines of Credit and Credit Card loans to a maximum of \$25,000;
- Increase mobile home loans to \$100,000 for a maximum of 20 years;

- Increase personal unsecured loans up to \$25,000 for a maximum of 6 years;
- Allow 100 percent automobile financing up to \$80,000 for a maximum of 10 years;
- Increase boat, camper, and trailer loans up to \$100,000; and
- Increase the maximum on residential first mortgage loans to \$750,000 (up to \$1,000,000 per member) with an increased LTV up to 95 percent for a maximum of 40 years

Description of Assessment Area

The following table reflects Jeanne D'Arc Credit Union's assessment area by county. Also included in the table is the HUD estimated Median Family Income (2001 and 2002) for the Lowell MA-NH Metropolitan Statistical Area (MSA).

Assessment Area by Metropolitan Statistical Area (MSA)	
Lowell MA-NH MSA	
Counties	
Middlesex	Hillsborough
Communities	
Billerica, Chelmsford, Dracut, Dunstable, Lowell, Tewksbury, Tyngsboro, and Westford.	Pelham, New Hampshire
Median Family Incomes (\$)	
2001	2002
70,200	75,200

Source: PCI Services, Inc., CRA Wiz Software.

Change in Demographics

In 2003, the US Census Bureau released its revised demographics based upon 2000 census data. The following table reflects both the 1990 and 2000 census data of Jeanne D'Arc Credit Union's assessment area by census tract income groups. In addition, the percentage change in the number of census tracts by income group is also reflected.

Change in Assessment Area Demographics					
Census Tracts	1990 Census Data		2000 Census Data		% Change in Number of Census Tracts
	#	%	#	%	
Low	6	12.2	8	13.1	33.3
Moderate	13	26.5	14	23.0	7.7
Middle	23	47.0	22	36.0	-4.3
Upper	7	14.3	17	27.9	142.8

Total	49	100.0	61	100	24.5
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Source: PCI Services, Inc., CRA Wiz Software.

The six low-income census tracts in the 1990 census data were located in the City of Lowell and the Town of Tewksbury, and the thirteen moderate-income census tracts were located in the City of Lowell. The 2000 census data added two low-income census tracts and a moderate-income census tract to the City of Lowell. The following table reflects the changes in the low and moderate-income census tracts from the 1990 census data to the 2000 census data by community. Note: The bolded items reflect a change.

Changes in Jeanne D'Arc Credit Union's Low and Moderate Income Census Tracts				
Community	1990 Census Data		2000 Census Data	
	Low Income Census Tracts	Moderate Income Census Tracts	Low Income Census Tracts	Moderate Income Census Tracts
Lowell	3101.00, 3108.00, 3110.00, 3111.00, 3112.00	3103.00, 3104.00, 3105.00, 3107.00, 3113.00, 3114.00, 3117.00, 3118.00, 3119.00, 3120.00, 3121.00, 3122.00, 3124.00	3101.00, 3104.00 , 3108.00, 3110.00, 3111.00, 3112.00, 3119.00, 3124.00	3102.00 , 3103.00, 3105.00, 3106.02,** 3107.00, 3113.00, 3114.00, 3116.00 , 3117.00, 3118.00, 3120.00, 3121.00, 3122.00, 3123.00 ,
Tewksbury	3153.00*	---	---	---

Source: PCI Services, Inc., CRA Wiz Software.

*Census tracts 3143.00, a middle-income census tract in Dracut/Lowell and 3153.00, a low-income census tract in Tewksbury were eliminated in 2000.

**Also in Lowell, census tract 3106.00, a middle-income census tract, was split into two tracts, 3106.01 (middle-income) and 3106.02 (moderate-income) census tracts, and tract 3125.00 (middle-income) was split into two middle-income tracts 3125.01 and 3125.02.

In the Town of Tyngsborough, a former middle-income census tract 3131.00 was split into two census tracts 3131.01 (upper-income) and 3131.02 (middle-income). In the Town of Dracut, a former middle-income census tract, 3141.00, was split into two middle-income census tracts, 3141.01 and 3141.02. Also in Dracut, two census tracts were added, tract 3143.01 a middle-income tract, and tract 3143.02 an upper-income census tract.

In the Town of Tewksbury, a former middle-income census tract, (3154.00) was split into three tracts, tract 3154.01 (middle-income), tract 3154.02 (upper-income), and tract

3154.03 (middle-income). In Billerica, a former middle-income census tract, 3161.00, was split into two tracts, 3161.01 and 3161.02, both middle-income census tracts. Also in Billerica, tract 3162.00, a former middle-income tract, was split into two tracts, 3162.01 (upper-income) and tract 3162.02 (middle-income).

In Chelmsford, a former upper-income census tract (3171.00) was split into three upper-income census tracts (3171.01, 3171.02, and 3171.03). Also in Chelmsford, tract 3172.00, an upper-income tract, was also split into three census tracts, tract 3172.01 (upper-income), tract 3172.02 (upper-income), and tract 3172.03 (middle-income). In the Town of Westford, two former middle-income census tracts, 3181.00 and 3182.00, were both changed to upper-income census tracts. Lastly, in the Town of Pelham New Hampshire, a former middle-income census tract, 2001.00, was changed to an upper-income census tract.

The following table reflects selected housing characteristics, based upon **1990** census data, for each of the census tract income groupings in Jeanne D'Arc Credit Union's assessment area.

Selected Housing Characteristics by Income Category of the Geography Based on 1990 Census Data							
Geographic Income Category	Percentage						Median Home Value (\$)
	Census Tracts	Househol ds	Housing Units	Owner- Occupied	Rental Units	Vacant Units	
Low	12.2	6.1	6.4	0.9	15.7	15.6	\$87,359
Moderate	26.5	19.8	20.7	11.2	36.9	34.3	\$114,679
Middle	47.0	56.4	55.7	64.7	40.5	41.3	\$152,749
Upper	14.3	17.7	17.2	23.2	6.9	8.8	\$195,618
NA	0.0	0.0	0.0	0.0	0.0	0.0	\$0
Total or Median	100.0	100.0	100.0	100.0	100.0	100.0	\$148,019

Source: U.S. Census

In addition, the following table reflects selected housing characteristics, based upon **2000** census data, for each of the census tract income groupings in Jeanne D'Arc Credit Union's assessment area.

Selected Housing Characteristics by Income Category of the Geography Based on 2000 Census Data							
Geographic Income Category	Percentage						Median Home Value (\$)
	Census Tracts	Househol ds	Housing Units	Owner- Occupied	Rental Units	Vacant Units	
Low	13.1	8.4	8.6	2.1	22.6	15.5	\$89,977

Moderate	23.0	23.5	23.8	15.9	40.3	36.9	\$122,896
Middle	36.0	41.7	41.4	47.9	27.9	28.8	\$180,601
Upper	27.9	26.4	26.2	34.1	9.2	18.8	\$238,730
NA	0.0	0.0	0.0	0.0	0.0	0.0	\$0
Total or Median	100	100.0	100.0	100.0	100.0	100.0	\$174,239

Source: U.S. Census

Description of Aggregate Data Utilized/Lending Activity

Aggregate data, for HMDA-reportable lending performance purposes only, constitutes 402 (both large and small) mortgage companies, savings banks, commercial banks, cooperative banks, and credit unions, which have originated and/or purchased at least one residential mortgage and/or home improvement loan within the credit union's assessment area (source: PCI Services, Inc., CRA Wiz). The total number of originations/purchases received by these lenders in calendar year 2001 was 23,794. The following table reflects the top ten lenders (in descending order) within Jeanne D'Arc Credit Union's assessment area in 2001.

Lending Activity in Jeanne D'Arc Credit Union's Assessment Area			
Rank	Lenders	Number of Loans	Market Share Percentage
1	Washington Mutual Bank FA	1,546	6.0
2	Countrywide Home Loans	1,315	6.0
3	Fleet National Bank	1,116	5.0
4	GMAC Mortgage	1,026	4.0
5	North American Mortgage Company	877	4.0
6	NAMCO Asset Management, Inc.	712	3.0
7	Wells Fargo Home Mortgage	692	3.0
8	ABN AMRO Mortgage Group, Inc.	673	3.0
9	Principal Residential MTG, Inc.	651	3.0
10	Jeanne D'Arc Credit Union	602	3.0

Source: PCI Services, Inc., CRA Wiz Software.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The institution's Lending Test performance was rated an overall "Outstanding." The institution's lending efforts are rated under the six major performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, Loss of Affordable Housing, and Fair Lending Policies and Practices. In addition, other loan data involving a random sample of the credit union's consumer lending was also evaluated. The following information details the data compiled and reviewed, as well as conclusions on the credit union.

Scope of Evaluation

This criterion evaluates the number and dollar volume of loans originated or purchased within the assessment area. The credit union's credit products evaluated for this criterion and the two subsequent lending test criteria are: (1) residential loans that are considered to be HMDA-reportable loans and (2) the credit union's consumer loan portfolio based upon an internally generated report, as well as a sample of its consumer loans. HMDA-reportable loans are defined as home purchase loans (including originations, purchases, and refinances) as well as home improvement loans. For the purposes herein, the period under review for HMDA reporting constitutes calendar years 2001, and 2002, and an interim period through June 30, 2003.

For the consumer loan lending activity only, the Division of Banks utilized internally generated reports for calendar years 2001, and 2002, and an interim period through June 30, 2003, incorporating either all originations and/or a random sample of used automobile loans.

I. Lending Activity

One barometer that is utilized in measuring financial institutions lending activity is an analysis of its total loan to total asset ratio.

As of March 31, 2003, Jeanne D'Arc Credit Union had total assets of \$573.5 million with total loans representing \$241.6 million or 42.1 percent of total assets, down slightly from 52.1 percent as of March 31, 2002.

Comparisons of Jeanne D'Arc Credit Union's net loans to total asset ratio to that of local competitors was also performed. As of March 31, 2003, (latest comparative information available) Jeanne D'Arc Credit Union had total assets of \$573,566,000 and a net to total

asset ratio of 42.1 percent. The net loan to total asset ratios of other area institutions is reflected in the following table. The data presented is as of March 31, 2003.

Comparative Net Loan-To-Assets Ratios		
Financial Institution	Total Assets (000)	Net Loan to Total Asset Ratio (%)
Butler Bank – A Co-operative Bank	86,593	80.4
Enterprise Bank and Trust Company	732,088	57.4
Jeanne D'Arc Credit Union	573,566	42.1
Lowell Co-operative Bank	89,963	64.2
The Lowell Five Cent Savings Bank	626,125	34.5
MassBank	1,016,689	31.9
Northern Massachusetts Telephone Workers' Credit Union	389,580	56.0
Washington Savings Bank	146,701	39.7

Source: NCUA 5300 or FDIC Quarterly Call Reports as of March 31, 2003

Jeanne D'Arc Credit Union's loan portfolio, overall, has experienced some decline. From June 30, 2002 to June 30, 2003, the credit union's loan portfolio (gross) decreased 5.5 percent. The following table reflects Jeanne D'Arc Credit Union's loan portfolio (gross) by type for June 30, 2002 and June 30, 2003 (per NCUA 5300 Reports), as well as the growth rate of each loan type.

Jeanne D'Arc Credit Union's Loan Portfolio			
Loan Types	June 30, 2002 \$\$	June 30, 2003 \$\$ *	% Growth
Unsecured Credit Card Loans – Lines of Credit	5,664	7,380	30.3
All Other Unsecured Loans – Lines of Credit	4,527	4,170	-7.9
New Vehicle Loans	5,334	3,482	-34.7
Used Vehicle Loans	22,611	23,230	2.7
1-4 Family Mortgages	194,561	180,106	-7.4
All Other Real Estate – Lines of Credit	23,124	23,299	0.8
All Other Loans	2,441	2,344	-4.0
TOTAL	258,262	244,011	-5.5

*In Thousands.

The growth in unsecured credit card loans/Lines of Credit reflects the impact of parity on the increase in maximum balances from \$10,000 to \$25,000. In addition, although the percentage decline in new vehicle loans appears large, the decrease in actual dollar volume is minimal.

It should be noted that Jeanne D'Arc Credit Union is an approved seller/servicer for the Federal National Mortgage Association (FNMA). In 2001, the credit union sold 26 mortgage loans totaling \$4,359,221 to FNMA. That equates to 1.1 percent of the number and 2.2 percent of the dollar volume of 1-4 family mortgage loans in Jeanne D'Arc Credit Union's loan portfolio as of year-end 2001. In 2002, the credit union sold 139 loans totaling \$19,576,955 to FNMA. That equates to 6.6 percent of the number and 10.9 percent of the dollar volume of 1-4 family mortgage loans in Jeanne D'Arc Credit Union's loan portfolio as of year-end 2002. Lastly, through July 11, 2003, the credit union has sold 19 loans totaling \$2,340,399 to FNMA.

Another barometer that is utilized in measuring financial institutions lending activity is an analysis of its lending extended both inside and outside of the institution's assessment area.

HMDA Reportable Loans

An analysis of HMDA reportable lending extended both inside and outside Jeanne D'Arc Credit Union's assessment area was also performed. Overall during the period examined, the credit union made 1,716 loans, representing 85.7 percent of the total number of loans, inside the assessment area; and \$178.1 million or 82.5 percent of the dollar amount of loans inside the assessment area. While the percentage of lending inside the assessment area has remained within the 80 percent range, it is noted that in 2002, the credit union made 691 loans or 88.3 percent of the number of loans inside the assessment area, with a corresponding 85.9 percent of the dollar amount of loans inside the assessment area in that year.

For the period reviewed, The City of Lowell received the largest number and dollar volume of HMDA reportable lending with 753 loans totaling \$73,412,000. This equals 37.6 percent of the number and 34.0 percent of the dollar volume of the credit union's total lending. The Town of Dracut ranked second with 513 loans totaling \$52,923,000 or 25.6 percent and 24.5 percent of the credit union's total lending, respectively. Furthermore, no concentration of HMDA reportable lending to a community outside of the credit union's assessment area was noted as a result of this analysis. Refer to the following.

Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area												
Year	Inside				Outside				Total			
	Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)	
	#	%	\$	%	#	%	\$	%	#	%	\$	%
2001	602	84.7	61,610	80.2	109	15.3	15,236	19.8	711	100	76,846	100
2002	691	88.3	63,567	85.9	92	11.7	10,449	14.1	783	100	74,016	100
2003	423	83.3	52,935	81.2	85	16.7	12,230	18.8	508	100	65,165	100

Total	1,716	85.7	178,112	82.5	286	14.3	37,915	17.5	2,002	100	216,027	100
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Source: HMDA LAR, CRA Wiz

- Through June 30, 2003.

As indicated, in 2001, Jeanne D'Arc Credit Union originated (overall) 711 HMDA reportable loans totaling \$76,846,000, whereas, in 2002 the credit union originated (overall) 783 HMDA reportable loans totaling \$74,016,000. This represents an increase of 10.1 percent in the number and a slight decline of 3.7 percent in the dollar volume of the credit union's HMDA reportable lending.

In all periods reflected, Jeanne D'Arc Credit Union experienced, as did the industry as a whole, a marked rise in refinances. In 2001, 66.9 percent of the credit union's HMDA reportable lending within its assessment area was in the form of refinances. In 2002, that level declined slightly to 59.5 percent however, for the interim 2003 period, a substantial 95.1 percent of the credit union's HMDA loans within its assessment area were refinances.

In conclusion, although Jeanne D'Arc Credit Union's HMDA reportable lending experienced a slight decrease in dollar volume between calendar years, its level of lending is considered to be very strong.

Consumer Lending

Based upon an internally generated report, an analysis of Jeanne D'Arc Credit Union's used automobile loan originations both inside and outside of its assessment area for calendar years 2001, 2002, and an interim period through June 30, 2003 was also performed. During this time, the credit union made a total of 82.8 percent of the number of consumer loans and 81.76 percent of the total dollar volume of loans within its assessment area.

Refer to the following.

Distribution of Consumer Lending Inside and Outside of the Assessment Area*												
Year	Inside				Outside				Total			
	Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)	
	#	%	\$	%	#	%	\$	%	#	%	\$	%
2001	1,043	80.6	10,896	78.8	251	19.4	2,929	21.2	1,294	100	13,825	100
2002	1,194	83.6	11,995	83.0	235	16.4	2,460	17.0	1,429	100	14,455	100
2003*	682	85.0	7,336	84.2	120	15.0	1,378	15.8	802	100	8,714	100
Total	2,919	82.8	30,227	81.7	606	17.2	6,767	18.3	3,525	100	36,994	100

*Source: Internally generated report. 2003 includes activity through June 30.

As indicated, Jeanne D'Arc Credit Union experienced a significant volume of lending within the consumer loan arena and, despite this fact, still originated a majority of its consumer loans inside its assessment area. Consequently, the credit union's consumer loan activity is considered to be superior.

II. Geographic Distribution

This criterion evaluates the institution's lending performance to the low, moderate, middle, and upper-income census tracts within its assessment area.

Based upon 1990 census data, Jeanne D'Arc Credit Union's assessment area contained forty-nine census tracts. Of those tracts, six or 12.2 percent are low-income, thirteen or 26.5 percent are moderate-income, twenty-three or 47.0 percent are middle-income, and seven or 14.3 percent are upper-income.

Distribution of HMDA Reportable Loans within the Assessment Area

An analysis of HMDA reportable lending extended within the various census tracts contained within Jeanne D'Arc Credit Union's assessment area was also conducted. The following table presents the credit union's performance as well as the 2001 aggregate data (exclusive of Jeanne D'Arc Credit Union) of HMDA reportable lending by percentage. In addition, the table also reflects the percentage of owner-occupied housing units (per 1990 census data) in each of the census tract income categories.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	Housing Units% (1990 Census)	Aggregate Lending Data (% of #)	2001		2002		Total	
			2001	#	%	#	%	#
Low	0.9	1.6		11	1.8	12	1.7	23
Moderate	11.2	10.2		100	16.6	116	16.8	216
Middle	64.7	66.8		439	72.9	505	73.1	944
Upper	23.2	21.4		52	8.7	58	8.4	110
Total	100	100		602	100	691	100	1,293

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

As the table indicates, the credit union originated a total of 1.8 percent of its loans to borrowers residing in low-income tracts, which exceeds the percentage of housing units occurring in those tracts or .9 percent of all housing units. In 2001, the credit union made

1.8 percent of loans in these geographies which also exceeded the 1.6 percent of loans made by the aggregate in low-income census tracts.

Of particular note is the credit union's lending in the moderate-income census tracts in its assessment area. For the period reflected in the table, the percentage of the credit union HMDA lending was consistently and significantly above both the aggregate and the demographic data in moderate-income tracts. Overall Jeanne D'Arc Credit Union made 16.7 percent of its loans in moderate-income census tracts, exceeding the percentage of housing units contained in those census tracts or 11.2 percent. Additionally in 2001, the credit union made 16.6 percent of its loans in moderate-income census tracts which surpassed the aggregate performance of 10.2 percent of loans.

By dollar volume in 2001, the credit union originated 1.2 percent of its HMDA reportable lending in the low-income census tracts and 14.2 percent in the moderate-income tracts, exceeding the 2001 aggregate data dollar volume of 1.1 percent and 7.6 percent, respectively.

In calendar year 2002 HMDA-reportable lending by dollar volume reflected an improvement, with 2.0 percent originated in low-income census tracts and 14.5 percent originated in moderate-income census tracts.

An analysis of the credit union's HMDA reportable lending extended within the various census tracts contained within its assessment area for the 2003 interim period was also conducted, based upon 2000 Census designations

(It should be noted that, as of January 1, 2003, a revision to Regulation C (HMDA reporting) went into effect. This revision states in part..."For all applications and loans reported on lenders' 2003 HMDA/LARs, lenders must use the census tract numbers and corresponding geographic areas from the 2000 Census".)

Based upon 2000 census data, Jeanne D'Arc Credit Union's assessment area contains sixty-one census tracts. Of those tracts, eight or 13.1 percent are low-income, fourteen or 23.0 percent are moderate-income, twenty-two or 36.0 percent are middle-income, and seventeen or 27.9 percent are upper-income.

As a result of the revision to Regulation C, the analysis of Jeanne D'Arc Credit Union's interim 2003 performance is presented separately. The following table presents the credit union's performance as well as the percentage of owner-occupied housing units (per 2000 census data) in each of the census tract income categories.

Distribution of HMDA Loans by Income Category of the Census Tract		
Census Tract Income Level	Housing Units % (2000)	2003*

		#	%	\$	%
Low	2.1	11	2.6	992	1.9
Moderate	15.9	125	29.6	14,027	26.5
Middle	47.9	219	51.8	27,791	52.5
Upper	34.1	68	16.0	10,125	19.1
Total	100	423	100	52,935	100

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

*Through June 30,2003.

Through the six-month interim period, the credit union's percentage of lending to the low and moderate-income census tracts has continued to improve despite the fact that the 2000 demographic data continues to reflect limited lending opportunities in the low-income census tracts. To date in 2003, the credit union has made 29.6 percent of the number of loans and 26.5 percent of the dollar amount of loans in moderate-income census tracts respectively. The credit union's performance in the low-income tracts has also increased to 2.6 percent of the number of loans and 1.9 percent of the dollar amount of loans.

In conclusion, given both the 1990 and 2000 census data demographics of Jeanne D'Arc Credit Union's low and moderate-income census tracts within its assessment area, the geographic distribution of its HMDA reportable lending is considered very strong.

Distribution of Consumer Loans within the Assessment Area

Since the credit union does not, nor is it required to, collect or maintain census tract data on its consumer lending, an internally generated report capturing all the credit union's consumer lending could not be utilized. Therefore a sample of the credit union's loan files was performed to access address and census tract information and was subsequently compared to 1990 census tract data.

In calendar year 2001, Jeanne D'Arc Credit Union granted 2,367 consumer loans totaling \$20,912,839. The largest segment of these consumer loans was used automobile loans. During 2001, the credit union granted 1,294 used auto loans totaling \$13,824,728 representing 52.2 percent of the number of loans granted and 66.1 percent of the dollar volume.

In 2002, the credit union granted 2,393 consumer loans totaling \$20,508,711. During this period, the credit union granted 1,429 used automobile loans totaling \$14,454,795 representing 59.7 percent of the number of loans granted and 70.5 percent of the dollar volume.

For the first six-months of 2003, the credit union granted 1,274 consumer loans totaling \$11,738,056. During this period, the credit union granted 802 used automobile loans totaling \$8,714,395 representing 63.0 percent of the number of loans granted and 74.2

percent of the dollar volume. Therefore, the focus of the sample was used automobile loans.

Refer to the following.

Distribution of Consumer Lending by Income Category of the Census Tract								
Income Level	2001		2002		2003*		Total	
	#	%	#	%	#	%	\$	%
Low	0	0.0	3	5.9	2	4.2	5	3.3
Moderate	10	19.6	10	19.6	14	29.2	34	22.6
Middle and Upper	41	80.4	38	74.5	32	66.6	111	74.1
Total	51	100	51	100	48	100	150	100

Source: Loan sample.

*Through June 30, 2003.

In total, the credit union granted 3.3 percent of the sample to low-income census tracts and 22.6 percent to moderate-income census tracts. The geographic distribution by dollar volume closely paralleled the numerical distribution and consequently, is not included in this discussion.

Therefore, based upon the sample, Jeanne D'Arc Credit Union's consumer lending penetration by census tract is considered reasonable.

III. Borrower Characteristics

The third lending criterion evaluates the extent to which an institution lends to borrowers of low, moderate, middle, and upper- income by number and dollar volume.

HMDA Reportable Loans

An analysis of HMDA reportable lending extended within Jeanne D'Arc Credit Union's assessment area, among various income levels for the period under review was performed. Originations were categorized by the ratio of the applicant's reported income to the 2001 or 2002 estimated median family incomes of the appropriate MSA (refer to the Performance Context Section).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA; moderate income is defined as 50 to 79 percent of the median family income; middle income is defined as income between 80 and 119 percent of the median family income; and upper income is defined as income greater than 120 percent of the median family income.

The following analysis also includes 2001 aggregate data (exclusive of Jeanne D'Arc Credit Union) of HMDA reportable lending by percentage as well as demographic data on

the percentage of households (per the 1990 census data) in the assessment area in each respective income group by percentage.

Refer to the following.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	% Total Households Per 1990 Census Data	Aggregate Lending Data (% of #)	2001		2002		Total	
			2001	#	%	#	%	#
Low	23.4	4.9		43	7.1	76	11.0	119
Moderate	15.6	17.3		151	25.1	211	30.5	362
Middle	22.1	26.5		215	35.7	214	31.0	429
Upper	38.9	31.9		178	29.6	174	25.2	352
NA	0.0	19.4		15	2.5	16	2.3	31
Total	100	100		602	100	691	100	1,293

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

Included in the low-income category is 8,058 households within the assessment area whose income is considered to be below poverty level, and thus, unlikely to qualify for a HMDA reportable loan. If that category were adjusted to reflect this fact, the percentage of low-income households within the assessment area would be decreased to 15.8 percent.

It also should be noted that those originations designated as not applicable loans are either:

- The borrowers' income was not taken into account when granting the loan;
- The borrower is an employee; or
- The loan was purchased.

As indicated in the table, Jeanne D'Arc Credit Union's percentage of lending to low and moderate-income borrowers is significant, both in terms of its comparison to the assessment area demographics as well as the aggregate performance. During the two years reviewed, the credit union made 9.2 percent of its loans to low-income borrowers, which is somewhat below the adjusted low-income population of 15.8 percent mentioned above. However the credit union's performance in lending to low-income borrowers is well above the performance of the aggregate. In 2001, the credit union originated 7.1 percent of its loans to low-income borrowers while the aggregate originated only 4.9 percent. The credit union's distribution increased to 11 percent in 2002.

More noteworthy in terms of demographics and in comparison to the aggregate is Jeanne D'Arc Credit Union's lending to moderate-income borrowers. Overall the credit union

originated 28 percent of its HMDA-reportable loans to moderate-income borrowers, substantially in excess of the 15.6 percent of residents falling within that income category. In 2001 the credit union made 25.1 percent of its loans to moderate-income borrowers, which also exceeded the aggregate distribution of 17.3 percent. The credit union's distribution of lending to moderate-income borrowers increased in 2002 to 30.5 percent.

By dollar volume in 2001, Jeanne D'Arc Credit Union originated 4.6 percent of its HMDA reportable lending to low-income borrowers and 19.9 percent to moderate-income borrowers, also outpacing the 2001 aggregate data by dollar volume of 2.7 percent to low-income borrowers and 13.5 percent to moderate-income borrowers.

Calendar year 2002 HMDA reportable lending by dollar volume was 8.4 percent to low-income borrowers and 26.7 percent to moderate-income borrowers.

As a result of the revision to Regulation C, the analysis of Jeanne D'Arc Credit Union's interim 2003 performance by borrower income is also presented separately. The following table presents the credit union's performance as well as demographic data on the percentage of households (per 2000 census data) in each of the respective income groups.

Distribution of HMDA Loans by Borrower Income					
Median Family Income Level	% Total Households Per 2000 Census Data	2003*			
		#	%	\$	%
Low	23.2	66	15.6	5,956	11.3
Moderate	16.6	126	29.8	14,265	26.9
Middle	20.5	131	31.0	16,142	30.5
Upper	39.7	81	19.1	13,850	26.2
NA	0.0	19	4.5	2,722	5.1
Total	100	423	100	52,935	100

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

*Through June 30, 2003.

Included in the low-income category are 8,053 households within the assessment area whose income is considered to be below poverty level, and thus, unlikely to qualify for a HMDA reportable loan. If that category were adjusted to reflect this fact, the percentage of low-income households within the assessment area would be decreased to 16.4 percent.

For the six-month interim period, the percentage of lending to low-income borrowers by number continues to improve and the percentage of lending to moderate-income borrowers has surpassed the percentage of moderate-income households per the 2000 census data, with 29.8 percent of loans made in that income category. This compares favorably with the 16.6 percent of households falling within the moderate-income group.

The percentage of dollar volume to borrowers of low and moderate-income also reflects a continued, positive trend.

Based upon the foregoing, Jeanne D'Arc Credit Union's level of HMDA reportable lending to borrowers of low and moderate-income is considered to be significant.

Consumer Loans

The credit union's used automobile lending sample was also analyzed based on the distribution of loans among various income categories of borrowers. The following table provides the borrowers' income distribution (by number) for the loans sampled.

Distribution of Consumer Lending by Borrower Income								
Income Level	2001		2002		2003		Total	
	#	%	#	%	#	%	#	%
Low	19	37.3	17	33.3	22	45.8	58	38.7
Moderate	13	25.5	18	35.3	13	27.1	44	29.3
Middle	14	27.5	7	13.7	12	25.0	33	22.0
Upper	5	9.7	6	11.8	1	2.1	12	8.0
NA	0	0.0	3	5.9	0	0.0	3	2.0
Total	51	100	51	100	48	100	150	100

*Source: Loan sample.

As indicated, 68 percent of the consumer loan sample of used automobile loans went to borrowers of low and moderate-income borrowers (combined). It is recognized that consumer loans are generally granted to single applicants. Therefore, the percentage of originations occurring in low and moderate-income levels can be somewhat higher than that of residential mortgage originations, where the income typically is the result of joint incomes. However, Jeanne D'Arc Credit Union's penetration of its consumer lending to borrowers of low and moderate-income is considered to be substantial.

IV. Community Development Lending

As defined in the revised CRA regulation, a community development purpose is: affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, or activities that revitalize or stabilize low and moderate-income geographies. However, in order to qualify as a community development loan, the loan must not be reportable as a home mortgage or small business loan, unless it is for a multi-family dwelling (five or more units).

It is recognized that Jeanne D'Arc Credit Union's ability to be involved in community development lending is limited by restrictions imposed by Massachusetts General Laws, NCUA, and its by-laws. However, due to parity powers granted the credit union by the Division of Banks in March 2000, Jeanne D'Arc Credit Union was able to participate in the following.

Julian D. Steele Housing Development Project:

Jeanne D'Arc Credit Union has committed to participate with other area institutions, in underwriting the revitalization and expansion of affordable housing in the City of Lowell. The credit union, along with eight other financial institutions, has pledged a total of \$24,700,000 to this project. Jeanne D'Arc Credit Union's commitment is 6.25 percent, or \$1,565,000. The project will facilitate the demolition and redevelopment of the Julian D. Steele housing development, currently a 284 unit subsidized affordable housing complex. The redevelopment will result in mixed community of single-family dwellings and duplex units

The reinvention units will consist of ninety single-family dwellings and forty-five duplex units. Eighteen of the single-family units will be made available to first time homebuyers with incomes less than 50 percent of the Area Median Income (AMI). An additional eighteen units will be available for first time homebuyers with incomes less than 80 percent of the AMI. The forty-five duplex ownership units will have deed restrictions protecting the other forty-five rental units. The deed restricted rental units will be offered to households with incomes less than 50 percent of the AMI. This project also provides for 220 additional rental units replicated throughout the City of Lowell. Committed funds will be used for ongoing construction, soft, and financing costs. This project is a co-operative effort of the participating financial institutions along with the Residents First Development Corporation, the Lowell Housing Authority, the Department of Housing and Community Development, and the City of Lowell.

V. Innovative or Flexible Lending Practices

This criterion evaluates an institution's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low or moderate-income individuals or geographies. An innovative practice is one that serves low and moderate-income creditworthy borrowers in new ways or serves groups of creditworthy borrowers not previously served by the institution. Both flexible and innovative practices are favorably considered. Although a practice ceases to be innovative if its use is widespread, it may receive consideration if it is a flexible underwriting practice.

Federal Home Loan Bank (FHLB) Community Development Advances (CDA)

In 2001, Jeanne D'Arc Credit Union received from the FHLB \$10,000,000 under its CDA program. Financial institutions apply for CDA funding in support of proposed projects, programs, or loans originated and/or purchased. The CDA funding is provided to an institution in anticipation of that institution's funding of residential housing loans on 1-4 family properties where the homeowner's income does not exceed 115 percent of the area median income. The CDA also provides funding for residential, multifamily, rental, and cooperative mortgages as well as nonresidential community economic development loans under specified guidelines. In 2001 and 2002, Jeanne D'Arc Credit Union originated 123 single family mortgage loans totaling \$12,230,805 using CDA funds.

First Time Home Buyer Programs

Jeanne D'Arc Credit Union offers several products that attract first time homebuyers. In calendar year 2001, the credit union originated 76 first time homebuyer loans totaling \$11,705,075. In 2002, the credit union originated 25 first time homebuyer loans totaling \$3,346,650. Through June 30, 2003, the credit union granted 10 loans totaling \$1,568,200 to first time homebuyers.

Jeanne D'Arc Credit Union works closely with the Merrimack Valley Housing Partnership and its Project Genesis Program for first time homebuyers. The Project Genesis Program provides the fundamentals needed in becoming a knowledgeable homeowner. Upon the completion of the program the first time homebuyer may qualify for down payment assistance. Two down-payment assistance options are available; one through the City of Lowell's HOME Program and the other through the Lowell Development and Financial Corporation (LDFC).

The HOME program provides 4 ½ percent of the purchase price up to a maximum of \$10,000. The annual household income cannot exceed \$39,550 for a one family household to \$74,600 for an eight-family household. No interest is accrued on this loan and no repayment is required unless the home is sold or the first mortgage is refinanced.

The LDFC program provides 2 ½ percent of the purchase price up to a maximum of \$5,000. The annual household income cannot exceed \$79,700 for a one-two family household to \$91,600 for a family household of three or more. No interest is accrued on this loan and repayment is made in five installments on the fifth through ninth anniversary of the loan.

As discussed in the Performance Context of this Public Evaluation, Jeanne D'Arc Credit Union applied for and received parity powers in the area of real estate related lending. Since receiving parity, the credit union originated 94 mortgage loans totaling \$15,114,729 with L-T-Vs of greater than 90 percent. For mortgage loans of amounts greater than \$200,000, the credit union has originated 228 mortgage loans totaling \$58,296,650 since receiving parity. In addition, for Home Equity Line of Credit over \$100,000 Jeanne D'Arc Credit Union originated 96 loans totaling \$11,029,000 since receiving parity.

Coalition for a Better Acre/Neighborhood Housing Services of America:

Since 1999, the Coalition for a Better Acre (CBA) and Neighborhood Housing Services of America (NHSA) have offered low-interest mortgages to low and moderate-income first time homebuyers throughout the City of Lowell. Jeanne D'Arc takes the application and underwrites the loan, while guaranteed end financing is provided NHSA. CBA works closely with the homeowners in counseling, down payment assistance and escorting them through the financing process. In 2000, Jeanne D'Arc Credit Union originated seven loans totaling \$782,305 under this program. In 2001, the credit union originated five loans totaling \$666,925. In 2002, the credit union originated two loans totaling \$198,475 and through March 2003, originated two loans totaling \$275,900 under this program

VI. Loss of Affordable Housing

This criterion evaluates whether or not a financial institution has engaged in systematic lending patterns resulting in the loss of affordable housing.

Based upon the analysis of Jeanne D'Arc Credit Union's lending activity, products, and fair lending practices, there is no evidence that the institution's lending patterns show any undue concentration or systematic pattern of lending resulting in the loss of affordable housing units.

VII. Fair Lending Policies and Practices

Jeanne D'Arc Credit Union received no CRA related complaints in the period under review. The credit union has a satisfactory record of implementing fair lending policies and practices. The following discussion is based on the guidelines of the Division of Banks' Regulatory Bulletin 2-3-101.

The credit union employs a total of 169 individuals, 128 full-time and 38 individuals part-time. Among the staff members there are 41 bilingual employees. Second languages spoken include French, Spanish, Khmer/Cambodian, Greek, and Portuguese. All lending staff and member services representative have taken Internet based seminars regarding fair lending laws and regulations. These seminars included overviews of HMDA, Equal Credit Opportunity Act (ECOA), and Fair Housing Act (FHA).

Within the last year, the credit union has launched several image/brand marketing efforts, which focus on expanding market awareness of its product and service offerings. These efforts are designed to attract new members and to increase the product and/or services utilized by existing members. Marketing efforts encompassed local newspaper (Lowell Sun and Merrimack Journal) and radio (WCAP and WCCM) ads, extensive post card mailings (to member and non-members, alike), and account statement flyers to existing members.

The institution's mortgage product offerings include fixed and adjustable rate (1yr, 3yr and 5/1) mortgages with maximum term of 30 years and maximum loan to value (LTV) of 95 percent. A no closing cost option is offered on all types of mortgage loan products. Home Equity Lines of Credit (HELOC) products offer a maximum term of 15 years and a LTV up to 80 percent. This product allows the borrower to lock in a fixed rate and also to convert the line up to 5 fixed rate loans. Consumer loan products include new and used car loans, VISA credit cards, personal loans, and boat/recreational vehicle loans. Additionally, both unsecured and secure home improvement loans are offered.

Currently, the credit union employs two "outside" mortgage originators who are able to take mortgage applications within the lending area.

Jeanne D'Arc Credit Union has a second review process for all denied mortgages and HELOC applications. The process requires that a second lending officer review and concur with the initial underwriter's recommendation. Currently, Jeanne D'Arc Credit Union is in the process of establishing a second review procedure on all denied consumer loan applications

In conclusion, Jeanne D'Arc Credit Union's record of implementing and developing fair lending policies and practices is considered satisfactory based upon regular training programs for all staff, credit products designed to meet the assessment area credit needs, regular efforts to market the institution's credit services to all segments of the assessment area, and efforts to review all denied mortgage loan applications to ensure fairness in the underwriting and loan application process.

Minority Application Flow

The following table reflects the minority demographics of Jeanne D'Arc Credit Union's assessment area based upon both the 1990 and the 2000 census data. Also indicated is the percent change in said demographics.

Change in Assessment Area Racial Demographics					
Race	1990 Census Data		2000 Census Data		% Change in Number of Persons
	#	%	#	%	
Native American	271	0.1	496	0.2	83.0
Asian	14,035	5.3	22,296	7.9	58.9
Black	2,673	1.0	4,780	1.7	78.8
Hispanic	11,718	4.5	17,055	6.1	45.1
Other	306	0.1	5,641	2.0	1,743.6
White	233,976	89.0	230,729	82.1	(1.4)
Total Persons	262,979	100.0	280,997	100.0	6.9
Total Minority	29,003	11.0	50,268	17.9	73.3

For calendar years 2001 and 2002, the credit union received a total of 192 HMDA reportable applications from various minority groups, representing 11.8 percent of all applications received from within its assessment area. The 2001 HMDA aggregate data indicated 8.8 percent of all the residential applications from within the assessment area were to minority applicants.

Refer to the following.

Minority Application Flow								
Race	Minority Population 1990 Census Data (%)	2001 Aggregate Data (% of #)	2001		2002		Total	
			#	%	#	%	#	%
Native American	0.1	0.2	1	0.1	4	0.4	5	0.3
Asian	5.3	4.1	38	5.7	34	3.5	72	4.4
Black	1.0	0.9	20	3.0	11	1.2	31	1.9
Hispanic	4.5	1.6	30	4.4	27	2.8	57	3.5
Joint Race**	0.0	1.0	6	0.9	11	1.2	17	1.0
Other	0.1	1.0	3	0.4	7	0.7	10	0.7
Total Minority	11.0	8.8	98	14.5	94	9.8	192	11.8
White	89.0	57.8	526	77.9	694	72.1	1,220	74.5
NA	0.0	33.4	51	7.6	174	18.1	225	13.7
Total	100.0	100.0	675	100.0	962	100.0	1,637	100.0

Source: US Census Data; HMDA LAR, HMDA Aggregate Data. **Refers to mixed racial composition of joint applicants.

As indicated in the table, the credit union's minority application rate, by percentage, is reasonably in line with the population percentages and exceeds aggregate data percentages.

As a result of the a revision to Regulation C, the analysis of Jeanne D'Arc Credit Union's interim 2003 minority application flow is also presented separately. The following table presents the credit union's performance as well as demographic data on the minority population (per 2000 census data) within the credit union's assessment area.

Minority Application Flow					
Race	Minority Population 2000 Census Data (%)	2003*			
		#	%	\$	%
Native American	0.2	1	0.2	160	0.3
Asian	7.9	13	2.6	1,696	2.7
Black	1.7	4	0.8	400	0.6
Hispanic	6.1	27	5.4	3,394	5.4
Other	2.0	1	0.2	108	0.2
Total Minority	17.9	46	9.2	5,758	9.2
White	82.1	419	84.0	51,978	83.1
NA	0.0	34	6.8	4,812	7.7
Total	100.0	499	100.0	62,548	100.0

Source: US Census Data; HMDA LAR, HMDA Aggregate Data

* Through June 30, 2003.

Given the demographics of its assessment area, Jeanne D'Arc Credit Union's level of minority applications is considered strong.

CONCLUSION – LENDING TEST

Jeanne D'Arc Credit Union's performance under the Lending Test is considered to be superior. This conclusion is based upon the credit union's superior performance under its Lending Activity, Geographic Distribution, Borrower Characteristics; and Community Development Lending, its better than average Innovative or Flexible Lending offerings, and its reasonable performance under its Fair Lending Practices and Loss of Affordable Housing. Therefore, as a result of such performance, a rating of "Outstanding" is ascribed.

SERVICE TEST

Jeanne D'Arc Credit Union's performance under the service test is considered to be exceptional. Consequently, a rating of "Outstanding" is assigned. Refer to the following.

The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The following describes Jeanne D'Arc Credit Union's services.

The credit union's systems for delivering retail-banking services are readily available to geographies and individuals of all income levels throughout its assessment area. Jeanne D'Arc Credit Union's officers and staff address community development needs through involvement in a wide range of community organizations.

RETAIL BANKING SERVICES

Distribution of Branches

Jeanne D'Arc Credit Union continues to maintain its main office/loan center located at 658 Merrimack Street, in a low-income census tract, in Lowell, Massachusetts. The credit union also continues to maintain its full service branch and its branch/educational facility both located in a middle-income census tracts in Dracut.

Since the previous examination in January 2000, Jeanne D'Arc Credit Union opened a branch/educational facility in Nashoba Valley Technical High School in Westford (September 2001) in a upper-income census tract, a full service branch office in Tyngsboro (September 2001) in an upper-income tract, and a new full service branch and loan center

in Chelmsford (September 2003) in a middle-income census tract. All census tract data presented with the new office locations are based upon 2000 census data.

The credit union continues to maintain Automated Teller Machines (ATM's) its main office, its Dracut branch, and at One Hospital Drive (Saints Memorial Medical Center) in Lowell. However, since the previous examination, Jeanne D'Arc Credit Union has placed ATMs at the following locations:

Jeanne D'Arc Credit Union's ATMs			
Description	Address	Census Tract*	Accepts Deposits
Inside Cisco Systems Building	300 Apollo Drive, Chelmsford	Upper-income	No
Visitors Information Center	Route 495 Northbound, Chelmsford	NA	No
Chelmsford Branch	245 Chelmsford Street, Chelmsford	Middle-income	Yes
HealthSouth, St. Joseph's Healthcare	220 Pawtucket Street, Lowell	Low-income	No
Tyngsboro Branch	150 Westford Road, Tyngsboro	Upper-income	Yes
Nashoba Valley High School	100 Littleton Road, Westford	Upper-income	No

* Source: 2000 Census Data.

Lastly, in the fall of 2003, Jeanne D'Arc Credit Union will open a branch/educational facility in Lowell High School in Lowell (with a non-deposit taking ATM) in a low-income census tract.

Retail services are readily accessible to individuals of different income levels. Each of the full service branch offices provides extended weekday and Saturday hours, 24 hour ATM service with network access and drive-up window service. The high school branches operate during regular school hours. In addition, Jeanne D'Arc Credit Union is a member of the SUM network of financial institutions, which do not levy surcharges to foreign ATM customers.

Record of Opening and Closing Branches

As indicated, Jeanne D'Arc Credit Union continues to open branch locations and place additional ATMs as well. The credit union has not closed a branch since the previous examination, and continues to maintain a formal Branch Closing Policy that outlines appropriate procedures to be followed should the decision be made to close an office.

Retail Banking Services

The credit union continues to offer the following low cost checking and savings accounts:

- **Completely Fee Free Share Draft Checking:** This non-interest bearing account has no minimum balance requirement and no monthly fees or charges.
- **Premier Share Draft Checking:** This account has a minimum balance of \$500.00 to earn interest and avoid a monthly \$5.00 fee for any balance under this amount. There are no per check charges or copy of check charge.
- **PicturePerfect™ Share Draft Checking:** This account has a minimum balance of \$100.00 to earn interest and a minimum balance of \$500.00 to avoid a monthly \$5.00 fee for any balance under this amount. There are no per check charge or copy of check charge. This account also offers check imaging of 18 checks per page in the member's monthly statement.
- **Looney Tunes™ Savings:** This is a saving club for children ages 5-12. There are no minimum balance requirements and no monthly fees or charges. This account has been offered to eight elementary and middle schools throughout the City of Lowell.
- **Focused Young Investors Account:** This is a savings account for young people ages 13-19. There is a minimum balance of \$10.00 to open the account and a limitation of no more than six withdrawals or transfers a month.
- **Passbook Share Account:** This savings account has minimum balance of \$25.00 to open. There are no monthly fees or charges.
- **Statement Savings:** This savings account also has a minimum balance of \$25.00 to open. There are no monthly fees or charges.

Alternative Retail Banking Services

As indicated previously, Jeanne D'Arc Credit Union continues to, or will soon be, operating high school branches at the aforementioned high schools. The school branches are supervised by a credit union employee and staffed by students, generally from the business curriculum. A school branch is an educational facility through which students learn basic principles and practices of banking.

The credit union offers 24-hour telephone banking through its Call24 Automated Telephone Banking service. This service provides account access 24 hours per day, 7 days a week.

Call24 allows members to obtain balance information, execute transfers between accounts, and make loan payments or calculate what a loan payment might be.

Jeanne D'Arc Credit Union operates a full Telephone Service Center to better assist its members. Employees who staff the center have been trained to: accept loan applications both over the phone and via the Internet; handle basic inquiries on the credit union products and services and; to cross-sell credit union's products when appropriate.

Web Site/Newsletter

Jeanne D'Arc Credit Union offers Internet banking through its own online service at www.jdcu.com. Using this web-site, members can check account balances, view cleared checks, transfer funds, pre-qualify for a mortgage loan or Home Equity Line of Credit, and pay monthly bills. The bill paying option is free for the first six months, then costs \$2.95 for ten bill pays per month and \$0.50 for each bill paid over ten per month threshold.

In addition, the credit union has developed a newsletter entitled "Member News" which is distributed as a statement stuffer, or direct mailed to members who don't receive statements, on a quarterly basis. This newsletter is used as a marketing/ informational tool to update members on a variety of topics.

Cambodian American League of Lowell, Inc (CALL)

In 2003, Jeanne D'Arc Credit Union entered into an agreement with CALL to maintain an account at the credit union whereby CALL assists their clients with an Individual Development Account Program. The program is funded by the US Department of Health and Human Services and its Administration for Children and Families under the Office of Refugee Resettlement. The clients have an Individual Savings Plan, and monies collected are deposited with Jeanne D'Arc Credit Union in a single CALL deposit account

Project Depository Assistance for Retired Citizens (DARC)

Project DARC has been designed as a member outreach program to assist retired citizens with their credit union needs. Representatives from the credit union go on site to offer services such as depositing, withdrawing, opening accounts, and applying for loans. There is no fee for this service. The credit union offers this service to senior citizens that reside in subsidized housing located within the local neighborhood.

COMMUNITY DEVELOPMENT SERVICES

The CRA regulation defines a community development service as a service that has as its primary purpose community development and is related to the provision of financial services. Jeanne D'Arc Credit Union's directors, officers and employees are involved with community organizations that address economic and affordable housing development.

Through these involvement's, the credit union's staff lends their technical expertise, experience and judgment to these organizations. Detailed below are Jeanne D'Arc Credit Union's qualified community development services.

The Lowell Plan and Lowell Development & Financial Corporation (LDFC)

The Lowell Plan is a private, nonprofit, economic development corporation that seeks to foster cooperation among business interests and encourages collaboration between business and government. Through staff and members they provide the data, resources, network, and associated business skills necessary to advance a proposed project or program from idea to reality. The LDFC is a closely associated entity, which is used to finance, coordinate, and oversee the implementation of major economic development projects and programs. Three Jeanne D'Arc Credit Union Directors as well as the credit union's President serve on the Board of Directors of these organizations. In addition, a credit union director serves as an Assistant Director of the Lowell Plan.

Cambodian American League of Lowell

This is an organization formed to promote small businesses in the Cambodian community through micro-lending and technical assistance. The Senior Vice President of Mortgage Lending is on the Microenterprise Advisory Committee. The role of the Microenterprise Advisory Committee is to create program and loan fund policies and monitor the status of both.

Acre Family Daycare

This is a non-profit organization that promotes the social and economic empowerment of under served communities through education, advocacy, and ongoing support in the fields of childcare and economic development. Acre provides direct services to families by administering high quality, culturally sensitive childcare for low-income children. The Acre also provides training to low-income women to become licensed family daycare providers. Jeanne D'Arc Credit Union's Controller serves on the Board of Directors and is Treasurer of this organization.

Saints Memorial Medical Center

Saints Memorial is a 250 bed, \$80 million Catholic hospital serving the residents of Lowell and the Merrimack Valley. The hospital provides quality health care to the community, particularly to the poor and indigent. It has provided over \$4 million of free care annually. The President of Jeanne D'Arc Credit Union as well as a credit union Director serves on the Board of Trustees of this organization. In addition, two credit union Directors serve on the Medical Centers' Board of Governors.

Lowell Day Nursery

This non-profit day care provider focuses on enabling lower-income families to enter the work-force by providing low-cost, subsidized, day-care for their children from toddlers up to kindergarten ages, essentially, until they reach school age. Jeanne D'Arc Credit Union's Chairman of the Board of Directors and an additional board member serve on the board of this organization. The credit union's President is a Director for the Lowell Day Nursery and its Executive Vice President and Treasurer serves as a board member and as Treasurer of Lowell Day Nursery.

Coalition for a Better Acre (CBA)

CBA is one of the City of Lowell's largest private developers of affordable housing. The Coalition works in conjunction with Neighborhood Housing Services of America (NHS) to offer mortgages to low and moderate-income First Time Home Buyers throughout the City of Lowell. Details of the program are specified under the Innovative and Flexible lending section of this examination. The credit union plays a major role in facilitating these mortgage originations. Additionally, the Assistant Treasurer of Jeanne D'Arc Credit Union is on the loan review committee. This committee reviews loan applications of prospective homebuyers.

Merrimack Valley Elder Services

This is an organization that provides help and refers clients to special needs services. The Vice President of Facilities for the credit union is a board member.

Rotary Club of Lowell and Tyngsboro/Dunstable

This is a service organization comprised of local business people from the City of Lowell and the towns of Tyngsboro, and Dunstable. Jeanne D'Arc Credit Union's Assistant Treasurer is President of the Lowell Rotary, and the Tyngsboro Branch Manager is the Treasurer of the Tyngsboro/Dunstable Rotary.

Greater Lowell Family YMCA

Jeanne D'Arc Credit Union's Vice President of Business Development serves on the board and is Treasurer of this organization.

Merrimack Valley Housing Partnership

This organization conducts a series of training seminars for First Time Home Buyers called Project Genesis. Loan Officers from the credit union have participated in these Project Genesis seminars. The Loan Officers also provided individual financial and credit counseling on an as needed basis.

Other Affiliations

Members of Jeanne D'Arc Credit Union's Board of Directors are actively involved in a variety of organization which include, but are not limited to, the Lowell Chamber of Commerce, the Greater Lowell Businessmen's Education Collaborative, the Chelmsford Business Association, Community Teamwork Incorporated and its Center Cities Committee, Vice President of the Massachusetts Chapter of the National Association of Housing Redevelopment, Vice-Mayor of the Lowell City Council, and the Lowell Boys Club.

Educational Services and Seminars

On November 14, 2002, Jeanne D'Arc Credit Union's President and Chief Executive Officer participated in a workshop entitled "Access Across America" sponsored by the NCUA and the Massachusetts Credit Union League. This individual was one of four credit union panelists who discussed the Neighborhood Reinvestment Corporation and the NeighborWorks System. A representative of Jeanne D'Arc Credit Union was asked to participate in this workshop because of the credit union's support and multi-faceted relationship with the local NeighborWorks organization, Coalition for a Better Acre. The goal of the workshop was to identify organizations that credit unions can affiliate with in an effort to create economic empowerment in neighborhoods and communities.

In March of the three years covered in this Public Evaluation, Jeanne D'Arc Credit Union held first time homebuyer seminars in the American Textile History Museum in Lowell. Speakers have included the credit union's President and Chief Executive Officer, its Senior Vice President and Lending Officer, the Executive Director of the Merrimack Valley Housing Partnership, a home inspector, a representative from a private mortgage insurance company, and a local attorney. Attendance for these seminars was very strong with 154 attendees in March 2001, 123 in March 2002, and 139 attendees in March 2003.

Jeanne D'Arc Credit Union also has participated in numerous first time homebuyer seminars that serve to educate consumers about products available to meet their specific needs. These seminars have been conducted in conjunction with the Project Genesis Program offered by the Merrimack Valley Housing Partnership.

High School Programs

As mentioned above, Jeanne D'Arc Credit Union has established high school branches at Dracut High School, Lowell High School and Nashoba Valley Technical High School.

These branches provide students with an opportunity to learn about finance and banking , as well as personal finance.

CONCLUSION – SERVICE TEST

As indicated, Jeanne D'Arc Credit Union has expanded its systems for delivering retail banking services making them more accessible to geographies and individuals of different income levels in its assessment area. In addition, the credit union has, more than ever before, expanded its branch/educational facilities through which students learn basic principles and practices of banking. Jeanne D'Arc Credit Union's directors, officers, and employees have provided a very high level of service activities primarily for community development purposes and related to the provision of financial services. Therefore, the credit union's service activities receive a rating of "Outstanding".

INVESTMENT TEST

Under 209 CMR section 46.61 "A credit union that achieves at least a 'Satisfactory' rating under the Lending and Service Tests may warrant consideration for an overall rating of 'High Satisfactory' or 'Outstanding'. In assessing whether a credit union's performance is 'High Satisfactory' or 'Outstanding', the Division will also consider the credit union's performance in making qualified investments to the extent authorized by law".

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low and moderate-income geographies. In recognition of the many legal limitations on an institutions investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire institution's portfolio of qualified investments; not just those made since the previous CRA examination.

The Downtown Venture Fund (DVF)

In December 2000, Jeanne D'Arc Credit Union began participating in the DVF. The DVF is an incentive program to enhance the retail and restaurant climate of downtown Lowell. The purpose of the DVF is to form a pool of funds available to existing and start-up restaurants and retailers to assist them by making "risk" funds available through the DVF.

The initial proposal was to raise \$1,575,000 over two years to capitalize the DVF. The commitments were as follows:

- City of Lowell placed \$525,00 into the DVF, \$300,000 in the first year and \$225,000 in the second year;
- The Lowell Development and Finance Corporation (LDFC) committed \$525,000, \$300,000 in the first year and \$225,000 in the second year; and
- Local financial institutions committed \$525,000 in aggregate to the DVF - \$300,000 in the first year and \$225,000 in the second year.

Since December 2000, Jeanne D'Arc Credit Union has invested \$40,000 (\$10,000 per year) into the DVF. In year one, the DVF funded \$825,000 in loans to seven restaurateurs and retailers. In year two the funding was expanded to an additional seven restaurateurs and retailers totaling \$532,250 in loan disbursements.

Although investments are not separately rated for CRA purposes, Jeanne D'Arc Credit Union is commended, for not only applying for and receiving parity powers allowing the credit union to participate in community development loan pools, but also actually participating in such loan pools.

Charitable Contributions

Jeanne D'Arc Credit Union has provided contributions to organizations that provide education and training, neighborhood revitalization, youth programs, and health and human services for individuals in need, and support business growth and development. In some instances, these contributions were substantial, multi-year, commitments.

In 2001, Jeanne D'Arc Credit Union granted \$92,332 in contributions, \$51,283 or 55.5 percent of which were considered qualified under the regulation. In 2002, the credit union granted \$97,282 in contributions, \$45,775 or 47.1 percent of which were considered qualified. Through July 31, 2003, the credit union has granted \$79,092 in contributions, \$45,397 or 57.4 percent of which were considered qualified.

The following includes (but is not limited to) some of the organizations that Jeanne D'Arc Credit Union contributed to that were considered to be qualified investments.

The Cambodian American League of Lowell, Habitat for Humanity, Catholic Charities, Acre Family Day Care, United Way, Lowell Development and Finance Corporation, the Lowell Plan, Greater Lowell YMCA, House of Hope, Merrimack Valley Housing Corporation, Alternative House, Consumer Credit Counseling of Massachusetts, and University of Massachusetts Lowell "Sunrise" program.

Based upon the above, Jeanne D'Arc Credit Union's investments have contributed to and enhanced its overall CRA rating of Outstanding.

Jeanne D'Arc Credit Union's Performance within the Lowell Massachusetts-Metropolitan Statistical Area's (MSA).

All of the communities within the credit union's assessment area are located in the Lowell MSA. Therefore, given that the majority of Jeanne D'Arc Credit Union's penetration in the Lending and Service Tests was within the Lowell MSA, a separate analysis of the credit union's performance under those tests within the Lowell MSA was not performed as such analysis would not be considered meaningful.

APPENDIX A

SCOPE OF EXAMINATION

As of the close of business, July 21, 2003 a review of compliance with applicable consumer and fair lending rules and regulations and a CRA examination was conducted at Jeanne D'Arc Credit Union's main office in Lowell, Massachusetts. The credit union's lending products reviewed at this examination include residential mortgage loan originations/purchases and a sampling of consumer loan originations. These products were analyzed under the six major performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending, Loss of Affordable Housing, and Fair Lending Practices.

In addition, Jeanne D'Arc Credit Union's performance under the Service Test was reviewed.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

JEANNE D'ARC CREDIT UNION

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **JULY 21, 2003**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.

